

lowered price, persist in selling, the jobber still further diminishes his bid; and finally may refuse altogether to purchase more by objecting to make a price at all. In this manner a sale by the public may become impracticable; and the public then must either retain their remaining stock and endure whatever extent of loss may result, or they may give it away to any one who is willing as a speculation to hazard an adverse issue, or (where the investment consists of shares to which a liability attaches, or shares in a Company of unlimited liability) the holders may even be compelled to offer a sum of money to a transferee to relieve them of the obligation of a possible (or probable) call. The reader will thus observe the real meaning of a depressed price. The principle of supply and demand evidently applies and determines the result. And throughout the consideration of the subject it is to be noted, I repeat, that the price, which is settled exclusively by the judgment and decision of the jobbers in their own legitimate interests and regulated by competition, constitutes the price in the market by which the transactions of the public are governed. The reader will meet with peculiar expressions when reading the articles in the newspapers, and it will be convenient, accordingly, to explain those which most commonly occur.

A Bond usually expresses the obligation of which it forms the evidence, as £100; and this amount, or the "face" or "nominal" value, as it sometimes is named, is *par*.¹ If a purchaser give £100 for the £100 stated in the bond, he is said to purchase, and the security to stand, at *par*. Upon a share of £10 the whole of the £10 have been paid up in cash, or perhaps £9 have been called up and there remains a liability of £1, which the holder may at some time be required to discharge to the company which issued it, or lose his interest in the undertaking. In the former case, if the investor purchase a share by giving £10, and in the latter if he buy it for £9, his purchase has been effected at *par*.

The security or share may stand at & *premium*.²

¹ Latin *par*, or equal.

² Premium : Latin *pnv*, before, and *emere*, to take ; what one takes first or for oneself ; hence profit derived from booty ; then generally advantage or profit. The seller has obtained a benefit beyond the nominal amount of the bond or share.